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No. 08-394

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

RATTLER TOOLS, INC.,

Petitioner,

v.

BILCO TOOLS, INC. and WILLIAM COYLE,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

BRIEF IN OPPOSITION

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QUESTIONS PRESENTED

I. Whether Petitioners have presented compelling reasons to grant the Petition, where the Federal Circuit's opinion affirming the District Court's reasoned analysis of the evidence and dismissing Petitioner's claims does not conflict with a decision of this Court or the Federal Circuit Court of Appeals.

II. Whether Petitioners have presented compelling reasons to grant the Petition, where the Federal Circuit's opinion affirming the District Court's application of this Court's decision in *Markman v. Westview Instruments*, 517 U.S. 370 (1996) does not violate *de novo* review of claim terms by the Federal Circuit.

III. Whether Petitioners have presented compelling reasons to grant the Petition, where Petitioner asserts that the Federal Circuit's opinion affirming the District Court's dismissal of Petitioner's claims support Petitioner's contention that both the trial court and the Federal Circuit improperly read limitations into the claims.

CORPORATE DISCLOSURE STATEMENT PURSUANT TO SUPREME COURT RULE 29.6

Respondent, Bilco Tools, Inc., does not have a parent corporation and there is no publicly held company that owns 10% or more of its stock.

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INTRODUCTION

Petitioners have presented no "compelling reasons" for their Petition for a Writ of *Certiorari* to be granted ("Petition"). *See* Sup. Ct. R. 10. Specifically, Petitioner fails to demonstrate that the Federal Circuit's May 22, 2008 Opinion ("Opinion") is in conflict with a decision of this Court or that of the Federal Circuit or decided an important federal question that has not been settled by this Court. *See* Sup. Ct. R. 10(a)-(c). In fact, Petitioner has not even carried their burden of showing that the District' Court's dismissal of their claims would, in any event, constitute grounds to grant the Petition. *See id.* Therefore, the Petition should be denied.

At the outset, Petitioner contends that the Federal Circuit's deference to the trial court regarding the various aspects of the trial court's claim construction ran afoul of this Court's decision in *Markham v. Westview Instruments, Inc.* Petitioner fails to show that the Federal Circuit violated the rule in *Markham* and, in fact, the claim construction of the trial court is a question of law, which withstood *de novo* review by the Federal Circuit.

Petitioner also claims that the Federal Circuit violated its constitutional authority by rendering moot 35 U.S.C. § 112, second paragraph, in affirming the District Court's opinion in which Petitioner alleges limitations were improperly read into the claims. Respondent respectfully disagrees with this assertion. To do so, the Federal Circuit would obviate the purpose of the claims. It must be noted that the trial court never held, nor has Respondent ever alleged, that the claims

at issue should be construed to read only on the specific embodiments disclosed. As discussed below, Petitioner failed to disclose that magnet tools were developed and commercialized prior to Petitioner's inventor's product and failed to disclose that Petitioner did not enjoy exclusivity in the market place. As outlined below, the trial court's and the Federal Circuit's use of Markham and application of 35 U.S.C. § 112 were totally consistent with the jurisprudence of this Court and the Federal Circuit, will have virtually no impact on any other U.S. patent and infringement action, nor will it affect any enterprise or member of the public affected by grant of U.S. patents. Therefore, Petitioner's have failed to completely carry their burden, and the Petition should be denied.

STATEMENT OF THE CASE

This case was brought by Rattler against Bilco and William Coyle under the patent laws of the United States for alleged infringement of U.S. Patent Nos. 6,216,787 ("the '787 patent"), 6,308,781 ("the '781 patent"), 6,354,386 ("the '386 patent"), 6,357,539 ("the '539 patent"), and 6,491,117 ("the '117 patent"), and for related state law unfair trade practices, unfair competition, misappropriation of trade secrets and unjust enrichment.

Rattler is a Louisiana Corporation having a principal place of business at 1131 Peters Road, Harvey, Louisiana 70058-1716. Bilco is a Louisiana Corporation having a principal place of business at 107 Clenndenning Road, Houma, Louisiana 70363-5523. William Coyle is an individual residing at Terrebonne Parish, Louisiana, and is the President of Bilco.

The relevant technology concerns downhole tools used in oil and gas wells and, more particularly, to "cleaning tools" to clean the fluid in the well and/or to remove ferrous objects from the well. One type of cleaning tool is a downhole magnetic tool, which is the subject of the Rattler patents. The Rattler tool as shown in Figure 1 and 2 of the '781 patent is referred to as the Copperhead, and Figure 3 of the '781 patent is referred to as the Mag-Trap. The Bilco tool is called the Tough Boy.

The first four Rattler patents are based upon the same disclosure, and the '117 adds additional figures and disclosure as a continuation-in-part. The Rattler patents are directed to one of two embodiments, with Figures 1 and 2 illustrating the Copperhead version, and Figures 3-5 illustrating the Mag-Trap version. The Copperhead version includes arcuate magnets which wrap circumferentially about the tool body, and the Mag-Trap version includes deflectors for deflecting particles so that they do not strike the exposed magnet downstream from the deflector and which extends outwardly from the tool body.

The Bilco Tough Boy tool has been granted U.S. Patent 7,219,724. All five Rattler patents in suit were cited by Bilco during the prosecution of the '724 patent.

REASONS FOR DENYING THE PETITION

The decisions below do not conflict with a decision of this Court or the Federal Circuit Court of Appeals nor do they implicate a federal question that has not been decided by this Court. Accordingly, Petitioner has not carried its burden of demonstrating any "compelling reasons" for the Petition to be granted. *See* Sup. Ct. R. 10.

I. The Federal Circuit's ruling is in congruence with the decisions of this Court and federal jurisprudence.

The first issue raised by the Petitioner to this Court is not novel. The jurisprudence has extensively explored what weight should be accorded by the Federal Circuit to issues of law in an appeal from a District Court ruling. Trial court decisions on questions of law, such as claim construction, are *de novo*, while the Appeals Court reviews a trial court's fact findings for clear error. The ultimate issue of infringement is clearly a question of fact and should be reviewed for clear error only. The issue Petitioner asserts, however, is limited to the practical meaning of *de novo* review of a district court's ruling on claim terms.

The precise issue asserted by Petitioner was raised by the Federal Circuit in an en banc order in *Phillips v. AWH Corp.*, 376 F.3d 1382, 71 USQP2d 1765 (Fed. Cir. 2004). "The order for review raised the issue of whether it was appropriate for this court to accord any deference to any aspect of trial court claim construction rulings. If so, in what aspects, in what circumstances, and to what extent." *Id.* at 1383. Although raised in the order, by the Petitioner, the Court ultimately remained silent.

The Federal Circuit has recognized, however, that claim construction, while a questions of law, can entail fact-based questions. *Cybor Corp. v. FM Technologies, Inc.*, 138 F.3d 1448, 1456, 46 USPQ2d 1169, 1174 (Fed. Cir. 1998)(en banc). Concurring opinions in *Cyber* indicated that *de novo* review does not exclude giving weight to the trial judge's view:

> On appeal, this court has the benefit of the trial judge's considered view, and the record of the effort made at trial to assist the judge in understanding the terms of the claim. Though we review that record '*de novo*,' meaning without applying a formally deferential standard of review, common sense dictates that the trial judge's view will carry weight. That weight may vary depending on the care, as shown in the record, with which that view was developed, and the information on which it is based.

138 F.3d at 1462, 46USPQ2d at 1180.

Further, the concurrence by Judge Bryson in *Cybor* sets forth that *de novo* review did not mean that the Federal Circuit would disregard the work done by the District Court in claim construction and give no weight to the District Court's conclusions. *Id.* at 1463. Additionally, the Court set forth various examples of reviewing courts acknowledging that for a particular legal issue, lower tribunals often have special competence or expertise in such matters. *Id.* Factual issues relevant to claim construction often include: conflicting party submissions on the background of the

invention, those who qualify as one of ordinary skill in the art, and the state of the art. *See Ornelas v. U.S.*, 517 U.S. 690, 703, 116 S. Ct. 1657 (1996).

Subsequent to *Cybor*, in *Datamize LLC v. Plumtree Software, Inc.*, 417 F.3d 1342, 1348 (Fed. Cir. 2005), the Federal Circuit upheld the District Court's claim construction which provided a careful analysis of the claim language. In that case, the Federal Circuit held that the District Court's opinion presented a reasoned and detailed analysis of both the intrinsic evidence, including the specification of the patent. It also considered the prosecution history of the patent and the extrinsic evidence in the form of expert testimony. *Id.* Similarly, in the case at bar, the trial court carefully listened to and evaluated the credibility of the inventor regarding claim construction, the credibility of the Petitioner's legal expert, and the credibility of the defendant's technical expert. That evidence inherently was analyzed by the trial court before making its legal determination as to disputed claim constructions.

Petitioner takes issue with the Federal Circuit's approving of the "careful and thorough post trial decision of the District Court."[1] Petitioner's argument that the Federal Circuit's affirming of the District Court's opinion in this manner is contrary to the Federal Circuit's prior jurisprudence is unfounded. The logical extension of Petitioner's argument would require the Federal Circuit to provide a detailed analysis of every claim term at issue in every case, even when it finds no error in the trial court's opinion under a *de novo*

1. *See* Federal Circuit's Decision, May 22, 2008, Page 3.

standard. Federal jurisprudence does not require such an onerous analysis.

In the present case, it is noteworthy that Petitioner did not present a technical expert to provide an opinion as to claim construction terms. The inventor was not offered as an expert, and the patent expert offered by Petitioner clearly admitted that he was not one skilled in the relevant art. Moreover, the Respondent presented its claim construction issues and proposed claim construction meanings prior to trial, during trial, and both after trial and on appeal. Those constructions have been consistent. Petitioner did not provide an opinion with respect to disputed claim terms before trial, arguing that it should have the flexibility to argue claim terms. Interestingly, Petitioner now criticized the trial court's claim construction rulings after trial, but again did not provide proposed claim term construction. Similarly, at the appellate level, the Federal Circuit repeatedly indicated that it understood that Petitioner disputed the court's claim construction terms, but at no time did Petitioner set forth its position as to the construction that should be accorded those claim terms.

As the court noted in *Nazomi Communication, Inc. v. Arm Holding, PLC*, 403 F.3d 1364, 1371 (Fed. Cir. 2005), the Federal Circuit recognized that it takes into account the views of the trial judge and the record of the trial, which helped the judge to understand claim terms. Specifically, the court stated, "Though we review those views in that record '*de novo*,' common sense dictates that the trial judge's view will carry weight". *Id.* at 1371. Similarly, the Federal Circuit in *Dow Chemical Co. v. United States*, 226 F.3d 1334, 1338, 56

USPQ2d 1014, 1016 (Fed. Cir. 2000) indicated that although they review claim construction *de novo*, the Federal Circuit logically began with and carefully considered the trial court's work. Similarly, the court in *Key Pharmaceuticals v. Haircon Laboratories Corp.*, 161 F.3d 709, 713, 48 USPQ2d 1911, 1914 (Fed. Cir. 1998) indicated that the court should exercise independent review of claim terms, but that "we do not start from scratch; rather we begin with and carefully consider the trial court's work."

There is no "split" in the courts regarding patent claim construction, as alleged by Petitioner. The fact that different courts interpret the same term in different patents to have different meanings is sound. Patent terms are construed in light of the specification, and different patents can use a term to mean different things. Neither the trial court nor the Federal Circuit elevated the specification to the same level of importance as the claims in defining the scope of the patent owner's rights, as claimed by Petitioner, and instead both courts properly construed claim terms to have their proper meaning in light of ordinary term meanings, the specification, and the file wrapper.

Any deference given to the trial court's claim construction ruling will depend on the particulars of the case. In this case, the trial court ruling construed 13 claim terms, *each* improperly construed according to Petitioner. There is no basis to contend that the Federal Circuit did not consider these claim terms *de novo* simply because the Federal Circuit agreed with the trial court construction, and with what they termed "the careful and thorough post-trial decision of the district court."

II. Petitioner's factual assertions are askew.

The second issue raised by Petitioner is not an issue that warrants the granting of Certiorari in this case. It would not be proper for the trial court or for the Federal Circuit to restrict claims of patents to specific embodiments set forth in the specification, since that would obviate the purpose of claims. The trial court did not hold, nor has Respondent ever alleged, that the claims at issue should be construed to read only on the specific embodiments disclosed. The claims cannot, however, be interpreted in a vacuum without regard to the specifications. The specifications and file history give meaning to the claim terms. The patentee selected the claim language, which includes essential features not included in the Respondents' tool. In this case, the claims were never construed to cover only the specific embodiments disclosed. Rather, their meaning was interpreted in light of the specifications, and in view of the Petitioner's inability or unwillingness to construe their own claim terms.

Petitioner's rendition of the facts, as outlined in their Application, is askew. Although the inventor, Mr. Rutley, developed a magnet tool which is the subject of the patents at issue, it must be noted that his tool was not the first magnet tool to be marketed and used within the oil exploration and production industry. There were several prior tools patented and the record of the proceedings below bear this out through the testimony of Mr. Lubert Westra and Mr. Thomas Ashey. Thus, there is also no evidence to support the Petitioner's statement that Rattler developed oilfield tools that are now used by major oil companies. Most importantly,

Petitioner's claim that it enjoyed exclusivity in the market place is patently misleading, if not false. Respondent assert that the evidence and testimony in the proceedings below revealed that Petitioner, through its inventor, Mr. Rutley, did not invent the concept of a magnet tool. Moreover, the record is replete with examples of other companies, such as Baker Oil Tools and SPS International, who independently developed and implemented versions of magnetic downhole tools. Petitioner never enjoyed market exclusivity prior to Respondent entering the market place.

CONCLUSION

The Court's use of *Markham* and the Court's application of 35 U.S.C. § 112 was totally consistent with the jurisprudence of this Court and the Federal Circuit. This specific case and ruling has virtually no impact, whatsoever, on any other United States patent and infringement action, nor will it affect any enterprise or member of the public affected by the grant of a United States patent.

Petitioner has not established any compelling reason for this Court to grant the Petition. Therefore, Respondents respectfully request that the Petition be denied.

Respectfully submitted,

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